

Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

24 August 1988

The Eastern Caribbean: Growing Involvement with Narcotics [redacted]

Summary

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Narcotics traffickers are increasingly using the eastern Caribbean to transship drugs to the United States and Western Europe. Narcotics are most frequently carried through the region in small amounts on commercial airlines, but recent large seizures suggest that traffickers are using the eastern Caribbean for bulk shipments as well. Building on the islands' tradition of corruption and exploiting high unemployment and other socioeconomic problems, narcotics interests are using the profits from expanded drug activity to corrupt government, judicial, and enforcement officials at all levels. These officials' willingness to accept drug payments is, we believe, eroding public confidence and undercutting counternarcotics efforts in the region. Some governments in the area are currently considering antidrug initiatives, but their ability to meet the challenge is constrained by meager resources and a desire to maintain an image of tranquility to protect trade and tourism.

[redacted]

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This memorandum was prepared by [redacted] International Narcotics Division, Office of Global Issues, and [redacted] South America-Caribbean Division, Office of African and Latin American Analysis [redacted]

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[redacted] Information available as of 1 August 1988 was used in the preparation of this memorandum. Comments may be directed to Chief, International Narcotics Division [redacted]

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THE EASTERN CARIBBEAN: GROWING INVOLVEMENT WITH NARCOTICS

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The ministates of the eastern Caribbean--by virtue of location, lax security, and a long history of corruption--are beginning to play an increasingly important role in narcotics transshipment.<sup>1</sup> The majority of South American drug smugglers prefer direct routes to the US market, including the Windward and Mona passages, the Yucatan Channel, and the overland link through Central America (map). Nevertheless, the frequency and size of drug seizures in the eastern Caribbean underscore the region's growing utility to traffickers, particularly when interdiction efforts are intensified along more traditional smuggling routes. For example:

-- Since May 1988, police in Guadeloupe have reported breaking up a large cocaine-smuggling ring operating regularly from St. Martin.

-- [redacted] meanwhile note escalating narcotics smuggling in the territorial seas of St. Kitts and Nevis and St. Vincent and the Grenadines.

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Large drug seizures in the region--including over 400 kilograms of cocaine in Guadeloupe in 1987 and some 8,000 kilograms of marijuana in Antigua in 1985--suggest that traffickers on occasion use the eastern Caribbean for bulk shipments. [redacted]

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The eastern Caribbean route has also provided access to lucrative West European drug markets. US Drug Enforcement Administration (DEA) reporting indicates that narcotics destined for Western Europe are frequently carried on commercial airlines via couriers in small amounts of from one to five kilograms. Smuggling operations are enhanced, we believe, by the ability of traffickers to exploit national and historical ties between the

<sup>1</sup> For the purpose of this article, the Eastern Caribbean includes Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, the British dependencies of Anguilla, Montserrat, and the British Virgin Islands, and the French territories of Guadeloupe, Martinique, St. Martin, and St. Barthelemy. [redacted]

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ministates and the European mainland. Traffickers who ship narcotics to France, for example, use the French departments of Martinique, St. Martin, Guadeloupe, and St. Barthelemy to gain relatively easy access to the continent, according to US Consular officials in Martinique. [redacted]

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In our judgment, the area's dependence on tourism and the growing importance of free trade zones in the eastern Caribbean provide excellent cover for drug-smuggling operations. Local authorities, not wanting to undermine tourism, generally are reluctant to conduct more than cursory inspections of visitors, according to US Embassy reporting. In addition, several island ports have customs-free trade zones, where officials are prohibited from investigating cargo in transit. [redacted]

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### Drug-Related Corruption and Government Officials

Corruption among officials in the eastern Caribbean, long commonplace in varying degrees, is becoming more pronounced with the growing availability of drug profits. Officials who have traditionally used their positions to skim government funds or collect kickbacks for favors are, we believe, rapidly falling under the influence of narcotics traffickers. The potential for large drug payoffs is multiplied by high unemployment and other socioeconomic problems in the ministates. In this environment, low wages and other meager perquisites available to police, customs officers, and other government officials make them especially susceptible to bribes and, less frequently, to direct participation in drug smuggling. [redacted]

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The scope of narcotics corruption is suggested by reports implicating elected or appointed government officials throughout the eastern Caribbean. In St. Kitts and Nevis, for example, the Ambassador to the United States relinquished his position in 1987 after being implicated in laundering drug money used to purchase weapons for the Irish Republican Army, according to Embassy officials in Bridgetown; the same individual is currently serving as Ambassador to the United Nations. In Dominica, St. Lucia, and St. Vincent, minor government officials are profiting from the influx of drug money, according to US Embassy reporting. [redacted]

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Antiguan government officials in particular appear to be prime targets for narcotics interests. Ruled for most of the last four decades by Prime Minister Vere Bird, Sr., Antigua has gained a reputation as the most politically corrupt nation in the eastern Caribbean. US Embassy officials in Bridgetown believe that Antigua has become an entrepot for drug dealers, transshippers, and money launderers over the past three years and that money generated from drug activity has contributed to pervasive corruption among local government officials, [redacted]

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In several cases, corruption among judicial officials has made it difficult to bring charges against traffickers or

government personnel involved in narcotics-related activities. According to US Embassy officials in Bridgetown, for example, one of St. Kitts' two local magistrates is suspected of being in league with the island's largest local trafficker. [redacted]

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[redacted] the magistrate has been subverted to prevent the imprisonment or reduce the sentences of several contacts of traffickers. Judicial corruption also is a growing problem in the British Virgin Islands, according to the US Embassy in Antigua. [redacted]

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Such drug payoffs have contributed to a gradual erosion of public confidence in governments and elected officials in a number of countries. Charges of drug corruption already have played a major role in replacing two governments in the area. The US Embassy in Bridgetown reports that Barbados' Democratic Labor Party highlighted drug-related government corruption as a key issue in its successful campaign to unseat Prime Minister St. John in 1986. In the British Virgin Islands, Chief Minister Cyril Romney was dismissed by the British Governor-General in 1986 after a financial firm owned by Romney was reported to be involved in laundering narcotics money, according to US Embassy officials in Antigua. [redacted]

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#### Undermining the Security Services

In addition to limited material resources and manpower, we believe that narcotics-related corruption among low-paid law enforcement officials has further weakened the fledgling counternarcotics efforts of several ministates. Reporting from various US Embassies indicates that in the last five years drug-related corruption has surfaced in the security forces of Antigua, Barbados, Grenada, St. Lucia, St. Vincent, and the British Virgin Islands. There are indications that bribes to assist or protect smuggling operations extend beyond working levels to senior security officials in a number of countries.

[redacted] Corruption also has hampered antinarcotics efforts by exacerbating the lack of cooperation between the police forces. For example, the US Embassy in Antigua indicates that the St. Kitts and Nevis Police Commissioner has refused to exchange narcotics intelligence [redacted] because he suspects that any information will be passed directly to traffickers. [redacted]

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#### Outlook

Increased narcotics smuggling and expanding drug corruption point to a growing threat which we believe the governments in the eastern Caribbean currently are ill-prepared to challenge. The fragile economies and weak political institutions of the ministates are no match for the wealth and influence of drug

dealers seeking to protect their illicit operations or establish safehavens. In our view, moreover, corruption of government and security officials could intensify if traffickers believe their operations are threatened by expanding antidrug programs. [redacted]

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We believe that increased trafficking activities eventually could pose a greater threat to democratic institutions in the eastern Caribbean than in such larger islands as Jamaica and The Bahamas. More limited economic resources and the small size of the political and security organizations in the ministates suggest that the potential exists for drug kingpins to corrupt and then co-opt virtually an entire government. In 1987, for example, [redacted] Union Island in the southern Grenadines was near anarchy and, in effect, was "governed" temporarily by the pardoned leader of an abortive coup attempt on the island in 1979. His main goal reportedly was to protect areas on the island set aside for marijuana cultivation and, according to the US Embassy in Bridgetown, to extort owners of hotels in the area. The lure of drug money will be especially difficult to combat because these countries are likely to face higher unemployment and other more intractable socioeconomic problems than in Jamaica and The Bahamas. [redacted]

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Instability in Panama's offshore banking industry may cause several eastern Caribbean ministates to become at least temporarily more attractive to drug money laundering operations.<sup>2</sup> US Embassy reporting throughout the Caribbean indicates that money laundering was an emerging problem in Anguilla, Montserrat, the British Virgin Islands, and French St. Martin even before the Panamanian crisis. Since then, [redacted] at least one major bank based in Panama has established a branch in Montserrat. In addition, [redacted] a sharp increase in the formation of shell companies--traditional fronts for money laundering operations--has occurred in the British Virgin Islands in the past two months. The gains from these laundering operations, however, may be only short-lived--particularly if Panama's illicit banking operations recover. Moreover, we believe that London, which already has warned its dependencies to crack down on money launderers, may bring further pressure on its eastern Caribbean dependencies to halt money laundering operations. [redacted]

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Concern over the growing narcotics challenge is prompting government leaders to consider antidrug initiatives which, if passed, could improve prospects for countering the expansion of drug trafficking. Several ministates have assembled special

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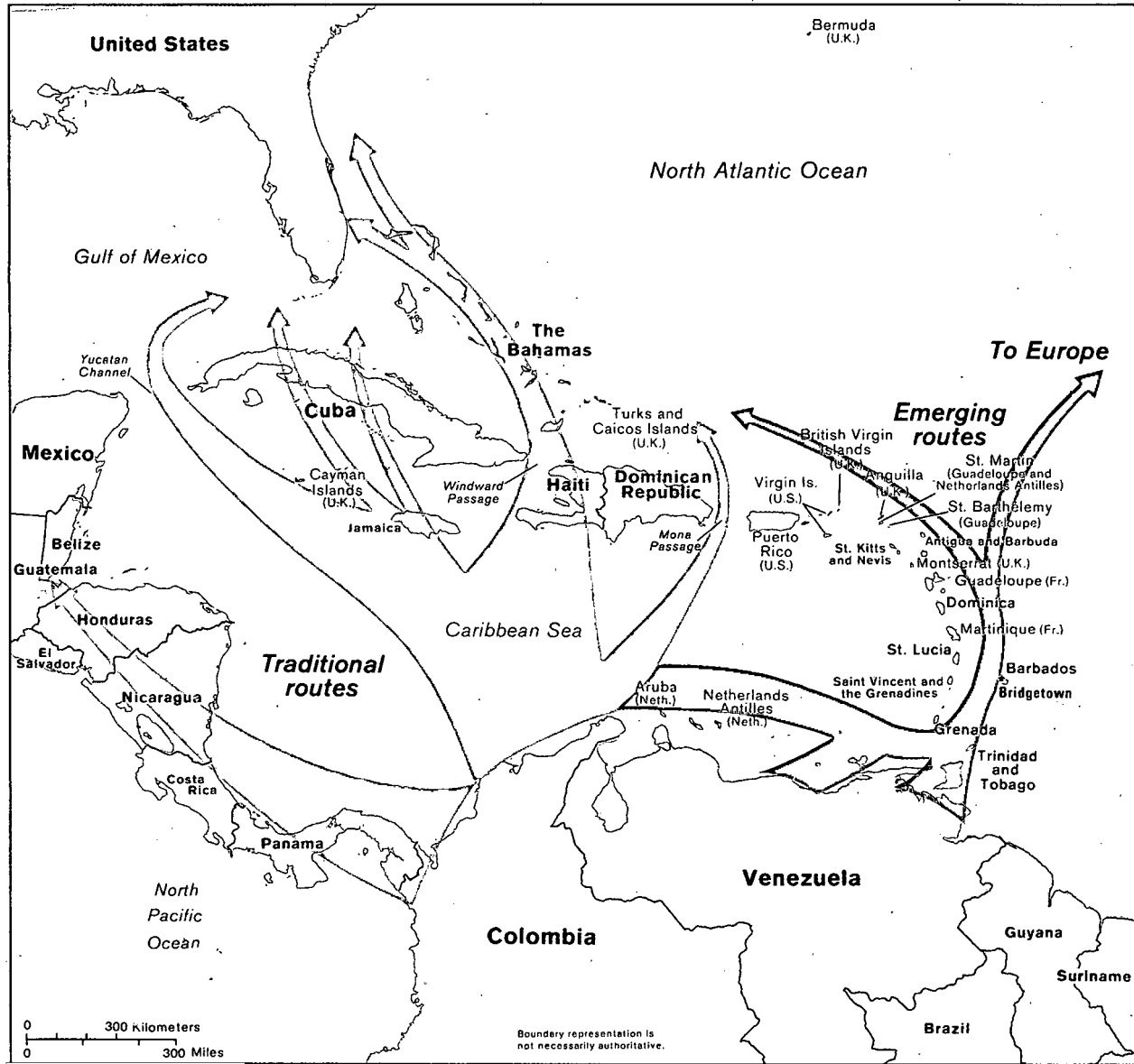
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narcotics units, and most security forces in the region are benefiting from US assistance and training. Although its efforts have been hampered by resource constraints and limited jurisdiction, the Regional Security System--a multinational force of English-speaking islands initially established to counter subversion--has employed coast guards from seven member states for a limited drug enforcement role since 1987. In addition, regional conferences of law enforcement authorities have resulted in calls for joint training programs, intelligence exchanges, and tougher national drug laws. [REDACTED]

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### Drug Trafficking Routes Through the Caribbean



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26 AUG 1988

MEMORANDUM FOR: See Distribution List

FROM:

[Redacted]

Director of Global Issues

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SUBJECT:

The Eastern Caribbean: Growing Involvement with Narcotics [Redacted]

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1. The attached memorandum, The Eastern Caribbean: Growing Involvement with Narcotics, presents our assessment of the impact of expanding narcotics activity in the eastern Caribbean. The paper notes that drug-related official corruption is intensifying in many of the 14 eastern Caribbean ministates as traffickers increasingly use the area to transship narcotics to markets in the United States and Western Europe. We believe the willingness of government and enforcement officials to accept drug payoffs is eroding public confidence and undercutting counternarcotics efforts. [Redacted]

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2. This memorandum was prepared by [Redacted] International Narcotics Division, Office of Global Issues, and [Redacted] South America-Caribbean Division, Office of African and Latin American Analysis, with a contribution by [Redacted] [Redacted] International Narcotics Division, OGI. [Redacted]

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3. Questions and comments are welcome and may be addressed to Chief, International Narcotics Division, OGI [Redacted]

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Attachment:

GI M 88-20087

ALA M 88-20065

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